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LABOR MARKET DIGEST

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The Labor Market Information Newsletter on Maine Economic Activity

Employment in Perspective: Earnings and Job Growth

The pace of [U.S.] job growth has quickened since the end of 1993, and concern over a "jobless recovery" has been replaced with concern about the quality of jobs being created. Interest in the quality of job growth is not new. Even during the long economic expansion of the 1980s, observers often noted that nearly all of the increase in employment was in the services and retail trade industries, whose average pay is comparatively low, while some higher-paying manufacturing industries experienced slow growth or even job losses. Concurrently, however, substantial growth occurred in occupations such as managers and professionals, where earnings are relatively high. The findings [of a report by the U.S. Department of Labor, Bureau of Labor Statistics] indicate that, while job growth has been concentrated in relatively low-wage industries, much of the growth within these industries has been in the relatively high-wage occupations.

"Much of the growth within these [low-wage] industries has been in the relatively high-wage occupations."

For each of the periods examined, most of the employment growth was in the deciles composed of the industries with relatively low earnings. From 1988 to 1992, data did show some growth in two of the top five deciles. Within these top deciles, two groups of industries accounted for a sizable share of the movements. Several defense-related industries experienced substantial declines in employment, while hospitals and other health related industries had substantial gains.

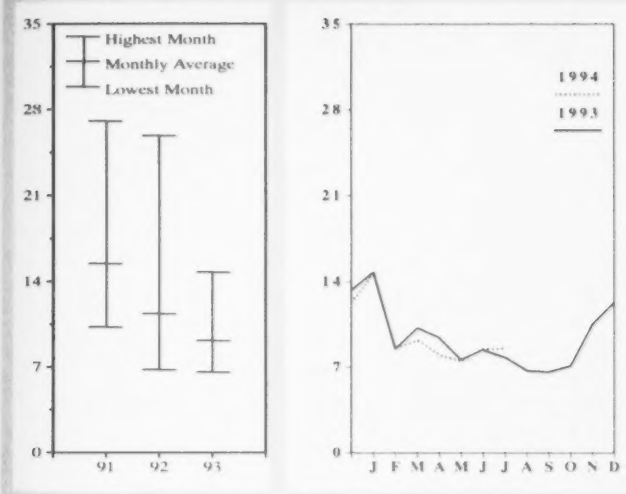
In the lower-earnings deciles, a large proportion of employment growth was accounted for by a few industries. For example, eating and drinking places was the source of most of the employment growth within the lowest earnings (tenth decile).

Between February 1992 (the low point of nonfarm payroll employment) and April 1994, there was a net gain in employment growth in the higher earnings deciles rather than the net loss experienced during the 1988-92 period. Nevertheless, about 72 percent of the jobs added were in industries in the lower 5 earnings deciles. Two industries alone were responsible for nearly 3 out of 10 new jobs during the recovery—eating and drinking places, which was in the tenth (lowest earnings) decile, and personnel supply services, which was in the seventh decile.

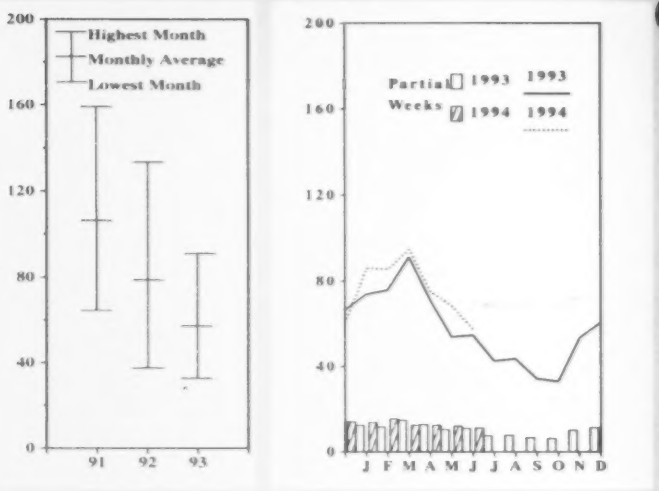
Within the upper half of the deciles during the recovery, health services continued its rapid growth, accounting for about a third of the net increase in employment in the top five deciles. Other "higher-wage" industries with job gains included various construction industries, mortgage bankers and brokers, computer and data processing services, and management and public relations services. The

(continued on page 2)

UI Initial Claims
In Thousands



UI Intrastate Weeks Claimed
In Thousands



first (highest earnings) decile continued to lose employment because of declines in manufacturing employment during the early part of the recovery.

When employment growth is measured on the basis of occupations, it is concentrated among the higher earnings deciles. This holds both for the long and short term.

Although much of the employment growth has been in low-wage industries, most of the increases within those industries have been in relatively high-paying occupations. Overall, nearly three-fourths of the change in employment between 1988-93 was in industry/occupational cells where the median weekly earnings of wage and salary workers was above the median for all such workers. A substantial proportion of the employment growth during the period occurred in the managerial, professional, and technical occupations within the services industries. All three of these industry/occupational cells have above average earnings. Within these cells the majority of the growth was in occupations related to either education or health.

Further evidence that growth has taken place in the higher earnings occupations within industries comes from an analysis of the influence of changes in occupational staffing patterns on the real wage growth for full-time workers between 1983 and 1993. That analysis showed that most of the major industries exhibited evidence of occupational upgrading.

The industry/occupational matrix also shows that employment declined in several industry/occupational cells having very high earnings, for example, managers and professionals in manufacturing. If such workers switched to managerial and professional jobs in other industries, they would likely be going into industry/occupational cells with lower earnings than the ones from which they were displaced. Their earnings would still be above the average for all workers, however.

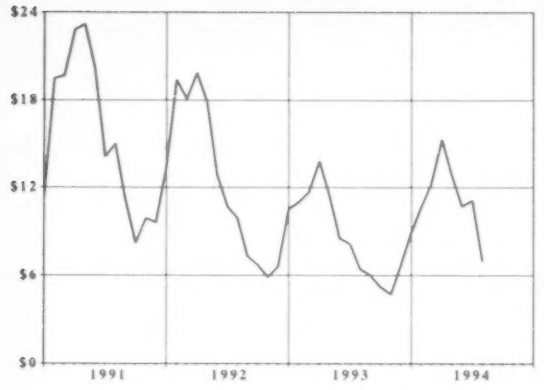
Excerpted from "Employment in Perspective: Earnings and Job Growth," August 1994, Report 877, U.S. Department of Labor, Bureau of Labor Statistics.

Selected Employment Security Activities

Unemployment Insurance Benefit Payments

In Millions

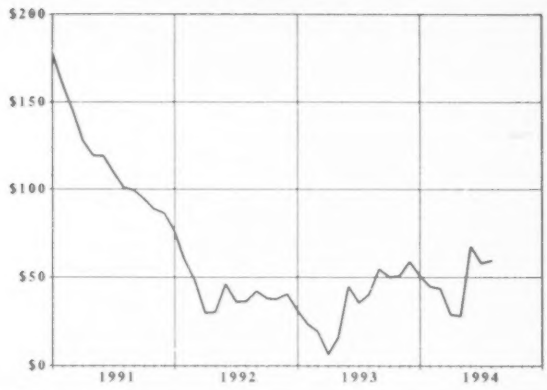
(Total Includes Maine's Portion of Extended Benefits)



Unemployment Compensation Fund Balance

In Millions

(End of Month)



Earnings and Workweek of Production Workers in Manufacturing Industries

AREA AND INDUSTRY	AVERAGE WEEKLY EARNINGS This Month	AVERAGE WEEKLY EARNINGS Last Month	AVERAGE WEEKLY EARNINGS Year Ago	AVERAGE WEEKLY HOURS This Month	AVERAGE WEEKLY HOURS Last Month	AVERAGE WEEKLY HOURS Year Ago	AVERAGE HOURLY EARNINGS This Month	AVERAGE HOURLY EARNINGS Last Month	AVERAGE HOURLY EARNINGS Year Ago	ANNUAL AVERAGE HOURLY EARNINGS 1991	1992	1993
STATEWIDE												
Manufacturing	$477.53	$479.60	$473.85	39.4	40.1	40.5	$12.12	$11.96	$11.70	$11.08	$11.38	$11.63
Durable Goods	470.45	461.64	460.72	39.6	39.9	40.7	11.88	11.57	11.32	10.61	11.14	11.43
Lumber and Wood Products	382.45	379.86	387.39	40.6	41.2	41.7	9.42	9.22	9.29	8.97	9.25	9.33
Primary and Fabricated Metals	371.48	442.54	440.08	37.0	40.6	40.9	10.04	10.90	10.76	10.18	10.45	11.00
Industrial Machinery and Equipment	653.29	610.06	574.10	46.3	44.4	42.4	14.11	13.74	13.54	12.43	12.82	13.32
Electronic and Other Electric Equipment	432.33	401.57	382.20	36.7	37.6	39.2	11.78	10.68	9.75	9.91	10.02	10.33
Transportation Equipment	568.37	556.37	584.38	38.3	37.9	39.7	14.84	14.68	14.72	12.55	14.09	14.64
Other Durable Goods	390.57	383.87	366.33	40.1	41.1	41.3	9.74	9.34	8.87	8.57	8.86	8.89
Nondurable Goods	484.57	494.48	484.00	39.3	40.3	40.3	12.33	12.27	12.01	11.48	11.57	11.79
Food and Kindred Products	350.17	327.91	348.50	36.4	34.3	36.8	9.62	9.56	9.47	8.76	9.15	9.34
Textile Mill Products	377.10	423.49	414.65	39.2	41.6	44.3	9.62	10.18	9.36	8.82	9.03	9.49
Apparel and Other Textile Products	254.86	310.29	300.29	32.8	35.3	38.4	7.77	8.79	7.82	7.28	7.65	7.95
Paper and Allied Products	741.11	775.70	730.15	41.8	43.8	42.5	17.73	17.71	17.18	16.06	16.25	16.63
Leather and Leather Products	318.66	320.10	299.06	38.3	38.8	38.0	8.32	8.25	7.87	7.82	7.92	8.00
Other Nondurable Goods	422.54	423.72	405.33	39.9	40.9	39.2	10.59	10.36	10.34	9.85	10.07	10.28
PORTLAND MSA												
Manufacturing	415.52	421.22	415.03	39.2	39.7	38.5	10.60	10.61	10.78	10.45	10.55	10.68
LEWISTON.AUBURN MSA												
Manufacturing	384.27	397.32	384.21	37.6	39.3	40.7	10.22	10.11	9.44	9.33	9.53	9.82

Female Labor Force in Maine

In Thousands

ITEM[1/]	This Month	Last Month	Year Ago
Labor Force	304.5	296.0	307.1
Unemployment	13.7	14.3	16.4
(Percent)	4.5%	4.8%	5.3%
Resident Employed	290.9	281.7	290.7

U.S. Consumer Price Index

BASE PERIOD (1982-1984 = 100) All Items (CPI-U)	This Month	Last Month	Year Ago	Last Dec.
	148.4	148.0	144.4	145.8

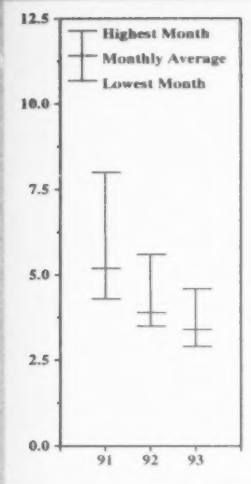
Percent Change for Past Month	+0.3%
Percent Change from Last December	+2.8%
Percent Change from 12 Months Ago	+1.8%

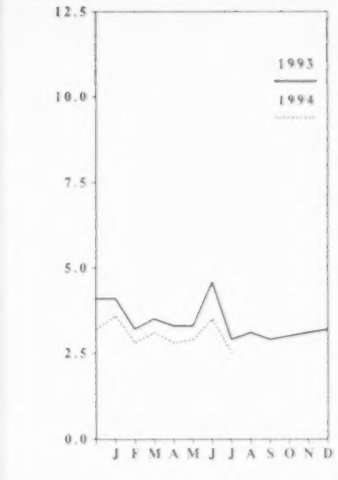
1/ Current figures preliminary; last month and year ago figures revised.

Source: Female labor force estimates are developed by, and solely the responsibility of, the Maine Division of Economic Analysis and Research.

New Applications For Work

In Thousands

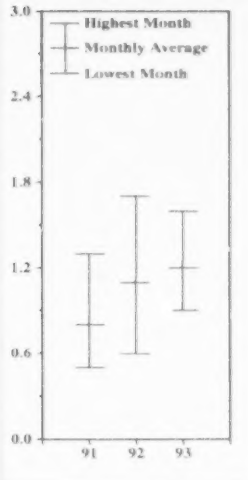


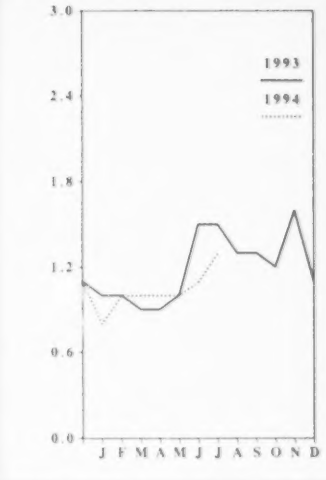


Nonfarm Placements

In Thousands

(Excludes Placements of Less than Three Days Duration)





Nonfarm Wage and Salary Employment by Place of Work (In Thousands)

ITEM	STATEWIDE THIS MONTH	STATEWIDE LAST MONTH	STATEWIDE YEAR AGO	PORTLAND MSA THIS MONTH	PORTLAND MSA LAST MONTH	PORTLAND MSA YEAR AGO	LEWISTON-AUBURN MSA THIS MONTH	LEWISTON-AUBURN MSA LAST MONTH	LEWISTON-AUBURN MSA YEAR AGO
Nonfarm Wage and Salary Employment 1/	529.4	534.4	526.2	126.1	126.8	126.7	39.7	40.6	38.5
Goods Producing	114.7	116.2	113.5	19.5	19.4	18.9	10.0	10.3	9.9
Construction and Mining	23.9	23.2	23.7	5.7	5.6	5.6	1.8	1.7	1.7
Building Construction	5.6	5.5	5.5	1.1	1.2	1.2	n/a	n/a	n/a
Special Trade Contractors	13.4	13.0	13.3	3.8	3.7	3.8	n/a	n/a	n/a
Manufacturing	90.8	93.0	89.8	13.8	13.8	13.3	8.2	8.6	8.2
Durable Goods	41.3	41.1	40.2	6.2	6.2	5.8	2.1	2.2	2.3
Lumber and Wood Products	10.8	10.4	10.9	n/a	n/a	n/a	n/a	n/a	n/a
Primary and Fabricated Metals	3.4	3.4	3.3	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Machinery and Equipment	4.3	4.3	3.8	1.4	1.4	1.2	n/a	n/a	n/a
Electronic and other Elect. Equip.	6.9	6.9	6.1	2.0	2.0	1.9	n/a	n/a	n/a
Transportation Equipment	12.2	12.2	12.1	(d)	(d)	(d)	n/a	n/a	n/a
Other Durable Goods 2/	3.7	3.9	4.0	2.8	2.8	2.7	n/a	n/a	n/a
Nondurable Goods	49.5	51.9	49.6	7.6	7.6	7.5	6.1	6.4	5.9
Food and Kindred Products	6.6	6.6	6.8	1.9	1.9	2.0	n/a	n/a	n/a
Textile Mill Products	5.3	5.8	5.1	(d)	(d)	(d)	n/a	n/a	n/a
Apparel and Other Textile Products	2.2	2.7	2.6	n/a	n/a	n/a	n/a	n/a	n/a
Paper and Allied Products	15.7	15.8	16.1	(d)	(d)	(d)	n/a	n/a	n/a
Printing and Publishing	5.4	5.5	5.3	1.7	1.7	1.6	n/a	n/a	n/a
Rubber and Misc. Plastic Products	3.0	3.1	3.0	n/a	n/a	n/a	n/a	n/a	n/a
Leather and Leather Products	9.5	10.6	8.9	1.3	1.3	1.2	1.9	2.1	1.7
Footwear (except Rubber)	7.8	8.7	7.4	n/a	n/a	n/a	n/a	n/a	n/a
Other Nondurable Goods 3/	1.8	1.8	1.8	2.7	2.7	2.7	4.2	4.3	4.2
Service Producing	414.7	418.2	412.7	106.6	107.4	107.8	29.7	30.3	28.6
Transportation and Public Utilities	22.0	21.8	22.6	6.1	5.9	6.0	1.5	1.5	1.4
Wholesale Trade	23.6	23.4	23.6	8.6	8.6	8.8	1.9	1.9	1.9
Retail Trade	117.0	113.3	114.7	29.4	29.3	28.9	8.4	8.5	8.2
General Merchandise Stores	11.7	11.6	11.5	n/a	n/a	n/a	n/a	n/a	n/a
Food Stores	19.3	18.8	19.7	n/a	n/a	n/a	n/a	n/a	n/a
Eating and Drinking Places	40.7	38.7	39.7	9.6	9.4	9.5	n/a	n/a	n/a
Finance, Insurance, and Real Estate	26.3	26.2	26.0	12.2	12.1	12.3	2.0	2.0	1.9
Banking	9.2	9.1	9.1	n/a	n/a	n/a	n/a	n/a	n/a
Insurance Carriers, Brokers and Agents	11.7	11.7	11.6	n/a	n/a	n/a	n/a	n/a	n/a
Services	143.6	139.9	140.9	35.4	35.2	37.0	11.8	11.8	11.2
Hotels and Other Lodging Places	14.6	12.1	14.0	n/a	n/a	n/a	n/a	n/a	n/a
Business Services	14.7	14.6	14.3	n/a	n/a	n/a	n/a	n/a	n/a
Health Services	50.0	50.0	49.9	n/a	n/a	n/a	n/a	n/a	n/a
Federal Government	14.3	14.4	16.1	2.1	2.1	2.0	0.3	0.3	0.3
State Government	24.2	23.9	24.1	3.9	3.9	3.8	0.6	0.6	0.6
Local Government	43.7	55.3	44.7	8.9	10.3	9.0	3.2	3.7	3.1
Involved in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Employment figures relate to full- and part-time wage and salary workers in pay periods including the 12th of the month. Domestic workers in private households, proprietors, self-employed, and unpaid family workers are excluded. 2/ Includes Standard Industrial Classification (SIC) codes: Statewide - 25, 32, 38, 39; Portland - 24, 25, 32, 33, 34, 37, 38, 39. 3/ Includes SIC codes: Statewide - 28, 29; Portland - 20, 22, 23, 26, 30; Lewiston - 20, 22, 23, 26, 27. 4/ Regular teachers are included in summer months whether or not specifically paid in those months. n/a - data not available in sufficient detail for publication. * Less than 50. (d) Nondisclosure item. Source: Nonfarm wage and salary employment by place of work and earnings, and workweek of production workers in manufacturing industries are developed by the Maine Division of Economic Analysis and Research in cooperation with the U.S. Bureau of Labor Statistics.

Labor Force, Employment and Unemployment

Area 1/	LABOR FORCE 2/ This Month	Last Month	Year Ago	RESIDENT EMPLOYED This Month	Last Month	Year Ago	UNEMPLOYMENT Number This Month	Last Month	Year Ago	UNEMPLOYMENT Percent of Labor Force This Month	Last Month	Year Ago
MAINE-STATEWIDE (000)	635.7	627.7	646.3	601.4	589.5	604.7	34.3	38.2	41.6	5.4	6.1	6.4
MAJOR LABOR MARKETS												
Bangor MSA	49,700	48,600	48,500	47,600	46,300	46,000	2,000	2,200	2,500	4.1	4.6	5.2
Lewiston-Auburn MSA	50,300	49,800	49,600	47,000	46,500	45,600	3,300	3,300	4,000	6.6	6.7	8.0
Portland MSA	121,200	119,100	122,500	116,700	113,600	116,600	4,500	5,400	5,900	3.7	4.6	4.9
Portsmouth-Rochester PMSA	n/a	n/a	119,400	n/a	n/a	112,300	n/a	n/a	7,200	n/a	n/a	6.0
OTHER LABOR MARKETS												
Augusta	44,290	43,130	45,340	42,200	40,870	42,580	2,090	2,260	2,760	4.7	5.2	6.1
Bath-Brunswick	33,920	33,470	35,430	32,710	32,160	33,430	1,220	1,310	2,000	3.6	3.9	5.6
Belfast	12,390	11,950	12,610	11,670	11,170	11,730	730	770	880	5.9	6.5	7.0
Biddeford	37,560	36,280	38,590	36,130	34,740	36,600	1,430	1,540	1,990	3.8	4.2	5.1
Boothbay Harbor	9,880	9,050	9,830	9,670	8,730	9,490	200	320	340	2.1	3.5	3.4
Bucksport	4,970	5,040	5,190	4,740	4,760	4,900	230	280	290	4.7	5.5	5.6
Calais	5,160	5,260	5,300	4,650	4,630	4,670	510	630	640	9.9	12.0	12.1
Dexter-Pittsfield	12,480	13,240	12,710	11,230	12,100	11,440	1,250	1,130	1,270	10.0	8.6	10.0
Dover-Foxcroft	7,170	7,070	7,290	6,630	6,540	6,710	540	530	580	7.5	7.5	8.0
Ellsworth-Bar Harbor	20,650	18,910	20,360	19,890	17,950	19,450	750	950	910	3.7	5.0	4.5
Farmington	17,520	17,240	18,310	16,050	15,990	16,920	1,470	1,260	1,390	8.4	7.3	7.6
Fort Kent	3,690	3,710	3,870	3,370	3,160	3,440	320	550	430	8.5	14.8	11.1
Greenville	1,210	1,170	1,200	1,130	1,080	1,130	90	100	70	7.2	8.3	5.9
Houlton	6,510	6,730	6,560	6,030	6,160	6,090	480	570	480	7.3	8.4	7.2
Jonesport-Milbridge	3,880	3,830	3,900	3,580	3,440	3,550	300	390	340	7.6	10.2	8.8
Kittery-York	19,270	18,850	18,650	18,870	18,290	18,100	400	550	540	2.1	2.9	2.9
Lincoln-Howland	5,810	5,670	5,760	5,380	5,170	5,330	430	490	430	7.5	8.7	7.4
Machias-Eastport	6,830	6,840	6,900	6,240	6,110	6,170	590	730	730	8.7	10.6	10.6
Madawaska	4,140	4,280	4,130	3,940	3,980	3,870	200	300	260	4.9	6.9	6.3
Millinocket-East Millinocket	5,610	5,710	5,950	5,100	5,060	5,510	510	650	440	9.0	11.3	7.4
Norway-Paris	10,200	9,990	11,190	9,290	8,980	10,140	910	1,010	1,060	8.9	10.1	9.5
Outer Bangor	7,380	7,480	7,870	6,860	6,890	7,220	530	590	650	7.1	7.9	8.3
Patten-Island Falls	2,090	2,080	2,070	1,920	1,890	1,900	170	190	170	8.2	9.0	8.2
Presque Isle-Caribou	20,320	20,750	22,360	18,220	18,450	20,030	2,100	2,300	2,330	10.3	11.1	10.4
Rockland	22,330	21,750	22,410	21,530	20,770	21,460	800	990	950	3.6	4.5	4.2
Rumford	10,010	10,230	10,050	9,190	9,210	9,150	830	1,020	900	8.3	10.0	9.0
Sanford	21,020	21,390	21,130	19,760	20,040	19,600	1,260	1,350	1,530	6.0	6.3	7.2
Sebago Lakes Region	12,590	12,330	14,060	11,850	11,550	13,170	750	790	890	5.9	6.4	6.3
Skowhegan	15,280	16,000	15,620	13,970	14,510	14,120	1,300	1,480	1,500	8.5	9.3	9.6
Stonington	5,580	5,250	5,590	5,420	5,050	5,360	160	200	230	2.8	3.8	4.0
Van Buren	1,570	1,510	1,670	1,430	1,340	1,480	130	180	190	8.4	11.6	11.5
Waterville	23,150	24,120	23,920	21,450	22,300	21,900	1,700	1,820	2,020	7.3	7.5	8.4
NEW ENGLAND STATES (000)												
Connecticut	n/a	n/a	1,851.6	n/a	n/a	1,729.1	n/a	n/a	122.5	n/a	n/a	6.6
Massachusetts	3,255.0	3,216.0	3,184.0	3,058.0	3,023.0	2,974.0	197.0	193.0	210.0	6.0	6.0	6.6
New Hampshire	n/a	n/a	625.6	n/a	n/a	588.5	n/a	n/a	37.0	n/a	n/a	5.9
Rhode Island	n/a	n/a	514.8	n/a	n/a	479.7	n/a	n/a	35.1	n/a	n/a	6.8
Vermont	n/a	n/a	317.3	n/a	n/a	303.0	n/a	n/a	14.3	n/a	n/a	4.5
UNITED STATES(000)	132,783	132,115	130,324	124,503	123,864	121,323	8,281	8,251	9,002	6.2	6.2	6.9

Footnotes

1/ Labor force, employment, and unemployment data for all areas are by place of residence and are not seasonally adjusted. Estimates made independently for each labor market area have been benchmarked to and extrapolated from the Current Population Survey estimates for the state. All data exclude members of the Armed Forces. Data are rounded for publishing purposes. Employment and unemployment may not add to labor force due to rounding. MSA - Metropolitan Statistical Area. n/a indicates that the information was not available at the time of printing.

2/ Current estimates preliminary. Last month and year ago estimates revised.

3/ Kittery-York is the five-town Maine portion of the Portsmouth-Rochester PMSA which includes towns in both Maine and New Hampshire.

Source: These data are developed by the Maine Division of Economic Analysis and Research in cooperation with the U.S. Bureau of Labor Statistics.

Mid-Month Insured Unemployment

ITEM	STATEWIDE This Month	Last Month	Year Ago	PORTLAND MSA This Month	Last Month	Year Ago	LEWISTON-AUBURN MSA This Month	Last Month	Year Ago
Number of continued-week claimants*	11,567	11,944	10,327	1,813	1,731	1,752	1,070	1,346	1,106

* Continued-week claimants are less partials for week including the 12th of the month.

ITEM	1993							1994					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Civilian Labor Force 1/	628.1	629.4	627.8	627.6	626.5	624.4	628.0	632.5	625.1	619.6	611.9	611.8	618.2
Resident Employment	578.0	577.1	575.2	575.9	575.1	574.7	568.6	585.5	582.3	579.8	576.6	573.5	574.4
Unemployment	50.1	52.3	52.6	51.6	51.4	49.7	59.4	43.0	42.9	39.8	35.2	38.4	43.8
Percent of Labor Force	8.0	8.3	8.4	8.2	8.2	8.0	9.5	7.4	6.9	6.4	5.8	6.3	7.1
Nonfarm Wage and Salary Employment 2/	519.1	520.3	519.8	521.9	522.2	521.6	517.7	520.9	521.0	524.0	527.6	527.2	528.2
Construction	20.8	20.5	20.4	21.1	21.4	21.7	21.5	21.5	21.5	21.5	22.1	21.5	21.6
Manufacturing, Durable Goods	40.3	40.2	40.3	40.5	40.8	40.8	40.6	41.5	41.6	41.5	41.5	41.3	41.5
Manufacturing, Nondurable Goods	50.7	50.9	50.6	51.1	51.0	51.0	50.6	50.9	51.2	51.0	51.3	51.4	51.0
Transportation and Public Utilities	22.0	22.1	22.1	21.6	21.8	21.9	21.4	21.5	21.3	20.9	21.0	21.5	21.6
Wholesale Trade	23.2	23.2	23.3	23.4	23.4	23.3	23.5	23.4	23.3	23.3	23.2	23.1	23.2
Retail Trade	107.0	107.3	108.0	107.9	107.5	106.8	106.2	106.2	105.7	108.8	110.1	111.2	112.6
Finance, Insurance, and Real Estate	25.7	25.9	25.8	25.9	26.1	26.0	25.9	25.9	26.1	26.1	25.9	25.8	25.9
Services	133.3	134.1	135.2	136.3	136.5	136.7	135.8	136.4	137.0	137.6	138.7	138.4	137.2
Government	95.9	95.9	93.9	94.0	93.6	93.3	92.1	93.4	93.3	93.2	93.8	92.9	93.5

1/ Place of residence. 2/ Place of work.

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